

Message Text

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FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC IMMEDIATE 7419

S E C R E T SECTION 1 OF 2 ISLAMABAD 9079

NODIS CHEROKEE

FOR THE SECRETARY FROM BYROADE EYES ONLY

E.O. 11652: GDS

TAGS: PFOR, MASS, PK, US

SUBJECT: BHUTTO AND REPROCESSING

REF: (A) ISLAMABAD 8998, (B) ISLAMABAD 9009,

1. I HAVE BEEN GIVING FURTHER THOUGHT TO MY DISCUSSION WITH BHUTTO ON REPROCESSING AND, AS I MENTIONED IN MY EARLIER CABLE (REFTEL B) WOULD LIKE TO SHARE SOME IDEAS WITH YOU. I HOPE THEY MAY BE USEFUL IN HELPING US FIND A WAY OUT OF THE DILEMMA WE FACE.

2. AS BHUTTO TOLD ME, HE PERCEIVES THE SITUATION NOW AS A "WHOLE NEW BALL GAME". THE PM WAS DUG IN FAIRLY SOLIDLY ON THIS ISSUE BEFORE YOUR VISIT HERE. SINCE THEN, THE EXTENSIVE PRESS PLAY PAKISTAN'S REPROCESSING PLANS HAVE ENGENDERED IN THE WEST, ESPECIALLY FRANCE AND THE US, HAVE FORCED BHUTTO INTO EVEN A MORE RIGID STANCE. AS HE PUTS IT, THE POLITICAL REACTIONS BOTH DOMESTICALLY AND AMONG HIS THIRD WORLD FRIENDS, IF HE WERE SEEN TO BE BACKING DOWN ON THIS ISSUE, WOULD BE HIGHLY NEGATIVE AND DETRIMENTAL TO HIS POSITION IN PAKISTAN. AS YOU KNOW, HE IS A PROUD MAN WHO SEES AS A KEYSTONE OF HIS FOREIGN POLICY PAKISTAN'S NEW-FOUND PRESTIGE IN THE THIRD AND ISLAMIC WORLDS. HE IS LOATH TO DO ANYTHING THAT COULD BE READ AS DIMINISHING THAT POSITION THROUGH WHAT OTHERS WOULD SEE AS "CAPITULATION". I THEREFORE BELIEVE HE IS NOW FIRM IN HIS DETERMINATION TO MOVE AHEAD WITH THE REPROCESSING PLAN AND ANY STRATEGY TO ATTEMPT TO

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DISSUADE HIM WILL BE UNSUCCESSFUL. ALSO, I DO NOT BELIEVE BHUTTO

WILL BE WILLING TO CONTINUE DISCUSSIONS WITH US ON THIS ISSUE
UNLESS WE CAN "DE-LINK", AS HE CALLS IT, THE A-7 FROM REPROCESSING.

3. A CENTRAL QUESTION IS HOW SINCERE IS BHUTTO IN PUTTING FORTH HIS PROPOSAL TO US. ALTHOUGH HE IS A MAN OF GREAT POLITICAL ACUMEN AND OFTEN TURNS POLITICAL MANEUVERING TO HIS OWN ADVANTAGE, HE IS FULLY AWARE OF THE SERIOUSNESS AND IMPORTANCE OF THIS ISSUE AND WILL STAND BY HIS WORD. HE KNOWS THAT ANY ATTEMPT TO RENEGE ON ANY AGREEMENTS HE REACHES WITH US WILL IRREPARABLY DAMAGE HIS RELATIONS WITH THE US AND CONSEQUENTLY CAUSE CONSIDERABLE DAMAGE TO PAKISTAN. HE MUST ALSO KNOW THAT IF HE DID BACK OFF FROM UNDERSTANDINGS WITH US IT WOULD EVENTUALLY RENDER ANY A-7S HE HAD RECEIVED INOPERABLE DUE TO A LACK OF SPARE PARTS. I DO NOT THINK, THEREFORE, WE NEED HAVE ANY CONCERN ABOUT HIS INTENTION TO STAND BY AGREEMENTS WITH US ON THIS ISSUE.

4. WE CONSEQUENTLY FACE TWO EASILY DEFINED ALTERNATIVES. WE CAN MAINTAIN THE PURITY OF OUR REPROCESSING POSITION AND SEE THE EVENTUAL IMPLEMENTATION OF THE SYMINGTON AMENDMENT--OR SOMETHING OF ITS LIKE--WITH THE RESULTING IMPACT ON OUR AND PAKISTAN'S POLICIES. CONVERSELY WE CAN TAKE A MORE PRAGMATIC APPROACH AND ACCEPT BHUTTO'S PROPOSAL TO DE-LINK THE A-7S AND THE REPROCESSING PLANT. WE CAN THEN, WITH HIS COOPERATION, STRUCTURE AN ENVIRONMENT FOR THE REPROCESSING PLANT THAT WILL BE SO SEVERELY CONSTRAINED AND SAFEGUARDED IT WILL BE A NEGATIVE EXAMPLE TO OTHERS WHO MIGHT CONSIDER OBTAINING A REPROCESSING PLANT WHEN IT IS NOT CLEARLY ECONOMICALLY BENEFICIAL TO DO SO. AT THE SAME TIME WE CAN OBTAIN A FIRM COMMITMENT FROM BHUTTO NOT TO GO NUCLEAR.

5. ONE ADVANTAGE OF TAKING A PURIST STAND IN COMPLETE OPPOSITION TO THE REPROCESSING SALE IS THAT IT WILL SET AN EXAMPLE FOR OTHER COUNTRIES CONTEMPLATING REPROCESSING PURCHASES. THEY WILL SEE THEY CAN DO SO ONLY AT THE EXPENSE OF THE BENEFITS OF WHATEVER RELATIONSHIP THEY HAVE WITH US. ALSO, I ASSUME A FIRM STAND WILL HAVE A GOODLY NUMBER WHO SUPPORT THIS POSITION ON THE HILL AND DOMESTICALLY. THE DISADVANTAGES OF THE PURIST POSITION ARE SEVERAL. IT WOULD UNDOUBTEDLY HERALD THE BEGINNING OF A DOWNWARD SPIRAL AND DETERIORATION IN US/PAK BILATERAL RELATIONS. WE WOULD ALSO BE ALIENATING THE FRENCH AND MANY OF PAKISTAN'S FRIENDS AS WELL, SOME OF WHOM, SUCH AS IRAN AND CHINA, ARE IMPORTANT TO US.

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MOST IMPORTANTLY, THE RESULT OF THE POLICY COULD BE THE DIRECT OPPOSITE OF WHAT WE HOPE TO ACHIEVE--PUTTING PRESSURE ON BHUTTO AND REDUCING OUR BILATERAL RELATIONSHIP (WHICH WOULD INCLUDE CUTTING BACK OR STOPPING ALTOGETHER MILITARY SALES) WOULD BE AN INCENTIVE FOR PAKISTAN TO MOVE QUICKLY INTO A NUCLEAR EXPLOSIVES PROGRAM. ONCE BHUTTO SEES A GREATLY DIMINISHED AMERICAN INTEREST IN PAKISTAN, AND OUR SUPPLY OF MILITARY ARMS CUT OFF, THE NUCLEAR OPTION BECOMES COMPELLING. I FEAR, THEREFORE, BY ASSUMING

THE PURIST POSITION WE WILL END UP NOT ONLY WITH A GREATLY
REDUCED US/PAK RELATIONSHIP BUT ALSO A PAKISTAN MORE PREDISPOSED
TO GOING THE NUCLEAR ROUTE--THE WORST OF BOTH POSSIBLE WORLDS.

6. THE PRINCIPAL ADVANTAGE OF THE MORE PRAGMATIC APPROACH IS THAT
WE WOULD BE SETTING AN IMPORTANT PRECEDENT IN THE REPROCESSING
FIELD BY HAVING A CENTRAL ROLE IN DETERMINING JUST HOW PAKISTAN'S
REPROCESSING PLANT WILL BE USED AND HOW IT WILL BE SAFEGUARDED.
WE COULD ALSO LINE UP PAKISTAN FIRMLY ON THE SIDE OF THOSE
FAVORING NONPROLIFERATION. WE WILL ALSO RETAIN OUR BILATERAL
RELATIONSHIP WITH PAKISTAN WITH THE RESULTING BENEFITS TO BOTH
COUNTRIES. A DISADVANTAGE TO THE PRAGMATIC APPROACH IS THAT
ACCORDING TO BHUTTO'S SCHEME IT WILL INVOLVE AGREEING TO SELL THE
A-7S WITH ALL THAT MIGHT IMPLY FOR THE REGIONAL SITUATION. IT
COULD ALSO BE READ IN THE INTERIM BY OTHER POTENTIAL REPROCESS-
ING PLANT PURCHASERS AS AMERICAN ACQUIESCENCE IN ONE SPREAD OF
REPROCESSING TECHNOLOGY. ANOTHER POTENTIAL DISADVANTAGE WOULD BE
THE CRITICISM SUCH A POLICY COULD FACE FROM SOME SECTIONS OF
THE AMERICAN PRESS AND PUBLIC.

7. I BELIEVE OUR BEST PRESENT CHOICE IS TO DE-LINK THE A-7 AND
REPROCESSING ISSUES AS BHUTTO SUGGESTS, BUT IN RETURN TAKE BHUTTO
AT HIS WORD AND SO COMPLETELY CONSTRAIN THE REPROCESSING PLANT
THAT IT WILL ACT AS A DIS-INCENTIVE TO OTHERS THINKING OF BUYING
THE SAME TECHNOLOGY WITHOUT A SOUND ECONOMIC JUSTIFICATION. SHOULD
YOU AGREE THAT ON BALANCE THE PRAGMATIC APPROACH IS IN OUR
GREATER INTERESTS, ONE FOLLOWING THOUGHTS ON A TWO-TRACK STRATEGY--
ONE PUBLIC AND THE OTHER PRIVATE--MAY HELP YOU IN ACHIEVING
OUR GOALS.

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TO SECSTATE WASHDC IMMEDIATE 7420

S E C R E T SECTION 2 OF 2 ISLAMABAD 9079

NODIS CHEROKEE

FOR THE SECRETARY FROM BYROADE EYES ONLY

8. ALTHOUGH I DISCUSS THE TIMING OF THIS STRATEGY IN GREATER DETAIL BELOW, IT IS USEFUL TO HIGHLIGHT NOW THAT WE DO NOT NEED TO MOVE AHEAD IMMEDIATELY ON THIS ISSUE. ACCORDING TO BHUTTO, THE FRENCH WILL NOT BE BRINGING ANYTHING IN COUNTRY FOR THE PLANT UNTIL NEXT SUMMER, SO WE HAVE SOME FLEXIBILITY IN TIMING. BY WAITING BEFORE WE MOVE AHEAD WE CAN KEEP THE SPECIFICS OF A SOLUTION FROM BECOMING AN ELECTION ISSUE, AND THE TEMPEST PAKISTAN'S PLANS HAS CAUSED CAN BE RELEGATED TO THE BACK PAGES OF THE PAPERS.

9. THE FIRST STEP WOULD BE A PUBLIC DE-LINKAGE OF THE A-7 AND REPROCESSING ISSUES, AS REQUESTED BY BHUTTO. THIS WOULD CLEAR THE DECKS FOR PRIVATE NEGOTIATIONS WITH THE PM ON CONSTRAINTS ACCEPTABLE TO THE EXECUTIVE BRANCH AND THE HILL ON PAKISTAN'S FUTURE NUCLEAR PLANS AND THE PLANT ITSELF. THIS STRATEGY MUST BE IMPLEMENTED WITHOUT FEEDING CHARGES OF A US SELL-OUT TO BHUTTO OR VICE-VERSA, AND AT THE SAME TIME WITHOUT RE-LINKING THE A-7S AND THE PLANT FORCING BHUTTO TO BACK OFF. FINALLY, WE MUST ALSO BUILD A STRONG JUSTIFICATION FOR THE A-7 SALE.

10. I WOULD ENVISION THE FOLLOWING STEPS IN THE TWO-TRACK STRATEGY. WE WOULD FIRST ANNOUNCE THAT IT IS THE INTENTION OF THE EXECUTIVE BRANCH TO RECOMMEND THE A-7 SALE TO CONGRESS. THIS COULD PERHAPS BE DONE BY SENDING THE INFORMAL NOTIFICATION TO THE HILL STAFFS. IN OUR STATEMENT WE WOULD SAY WE BELIEVE THERE ARE SOUND REASONS FOR THE A-7 SALE ON ITS MERITS AND ALSO NOTE WE ARE CONFIDENT THAT DIFFERENCES ON OTHER ISSUES CAN BE RESOLVED TO
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THE SATISFACTION OF BOTH SIDES.

11. BEFORE THIS STATEMENT COULD BE MADE WE WOULD HAVE HAD TO BUILD A STRONG CASE FOR THE A-7 SALE--A CASE I BELIEVE WE CAN MAKE. THE MILITARY JUSTIFICATION IN TERMS OF PAKISTAN'S NEEDS IS OBVIOUS; THE POLITICAL JUSTIFICATION IS IN TERMS OF THE DANGER TO STABILITY IN THE AREA BY THE GROWING DISPARITY BETWEEN THE ARMED FORCES OF INDIA AND PAKISTAN. THIS OF COURSE NEEDS TO BE EXPANDED CONSIDERABLY AND CAREFULLY PREPARED.

12. COUPLED WITH OUR PUBLIC STATEMENT, WE CAN PRIVATELY ASSURE THE HILL LEADERSHIP THAT WE WILL NOT PUSH THE A-7 SALE BY SENDING UP THE FORMAL LOA REQUEST UNTIL WE HAVE ACHIEVED SATISFACTORY ARRANGEMENTS WITH THE GOP ON THE NONPROLIFERATION QUESTION. WE WILL CONSEQUENTLY HAVE GIVEN BHUTTO WHAT HE WANTS--THE PUBLIC DE-LINKAGE AND AN EXPRESSION OF INTENT TO SELL THE A-7--WHILE AT THE SAME TIME POSTPONING OUR FORMAL LOA TRANSMISSION TO CONGRESS UNTIL WE SEE WHAT KIND OF BARGAIN WE CAN STRIKE WITH

BHUTTO.

13. THE NEXT STEP WOULD BE PRIVATE NEGOTIATIONS WITH BHUTTO ON THE PLANT AND PAKISTAN'S NUCLEAR POLICY. WE SHOULD TAKE ADVANTAGE OF BHUTTO'S WILLINGNESS TO DO WHATEVER WE WANT ON THE PLANT TO TIE PAKISTAN AS FIRMLY AS POSSIBLE TO A FUTURE NONPROLIFERATION COURSE. HE HAS GIVEN US AN OPENING, AND WE SHOULD USE HIS PLEDGE TO OUR ADVANTAGE TO FURTHER OUR NONPROLIFERATION AIMS GENERALLY AND TO TIGHTLY CONTROL THE REPROCESSING PLANT SPECIFICALLY.

14. I FORESEE THEREE POSSIBLE MAJOR ELEMENTS IN OUR UNDERSTANDING WITH BHUTTO ON PAKISTAN'S NUCLEAR PLANS: (A) FIRST, PAKISTAN COULD AGREE TO INTERNATIONAL PARTICIPATION IN AND CONTROL OVER THE MANAGEMENT OF THE REPROCESSING PLANT. PAKISTAN WOULD THEREFORE COMPLY WITH THE INTENT OF THE SYMINGTON AMENDMENT AND WOULD ALSO GIVE US THE BEST GUARANTEES AGAINST MISUSE OF THE PLANT. THE FRENCH, BECAUSE THEY ARE SELLING THE PLANT, AND THE CANADIANS, SINCE MATERIAL FROM THEIR REACTOR IN KARACHI WILL BE REPROCESSED, ARE TWO POSSIBLE CHOICES FOR PARTICIPATING WITH THE PAKS IN THE PLANT. US INVOLVEMENT IN ITS MANAGEMENT IS ALSO A POSSIBILITY. (B) A SECOND ELEMENT WOULD BE GOP AGREEMENT THAT THE PLANT WOULD ONLY REPROCESS ENOUGH FUEL TO KEEP PAKISTAN'S NUCLEAR POWER REACTORS FUNCTIONING. THIS WOULD PRECLUDE THE POSSIBILITY OF
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PAKISTAN BUILDING UP A PLUTONIUM STOCKPILE WITH ALL ITS ATTENDANT DANGERS. A SUPPLEMENTARY CONCEPT COULD BE INTERNATIONALLY SUPERVISED STORAGE OUTSIDE PAKISTAN OF PLUTONIUM PRODUCED THAT IS NOT IMMEDIATELY REQUIRED FOR PEACEFUL REACTOR PROGRAMS. (C) THIRD, PAKISTAN MIGHT AGREE TO SIGN THE NPT OR GIVE THE US A WRITTEN BILATERAL PLEDGE THAT IT WILL NOT DEVELOP OR EXPLODE A NUCLEAR DEVICE. THIS WOULD BE A DRAMATIC BREAKTHROUGH IN OUR NPT STRATEGY AND WOULD PUBLICLY PLACE ON OUR SIDE ONE OF THE MAJOR HOLD-OUTS IN THE NONPROLIFERATION MOVEMENT.

15. ONCE WE REACH WHAT WE VIEW AS AN ACCEPTABLE AGREEMENT WITH PAKISTAN INCORPORATING THE ABOVE ELEMENTS. WE COULD THEN GO BACK TO THE HILL LEADERSHIP AND EXPLAIN WHAT WE HAVE ACHIEVED. ONCE BOTH THE EXECUTIVE AND LEGISLATIVE BRANCHES ARE ON BOARD, THE FORMAL LOA FOR THE A-7S CAN GO FORWARD.

16. IF THIS STRATEGY IS TO BE SUCCESSFUL TIMING IS OF CRITICAL IMPORTANCE. WE CAN BEGIN THE PROCESS--OUR PUBLIC STATEMENT ON THE A-7S--EITHER BEFORE OR AFTER THE ELECTIONS. MY OWN CHOICE WOULD BE THE LATTER. WE HAVE MORE MANEUVERING TIME THAN WE ORIGINALLY THOUGHT. BHUTTO HAS ASSURED US (REFTEL A) THAT THE FRENCH WILL NOT BE SENDING ANYTHING INTO THE COUNTRY FOR THE PLANT UNTIL NEXT SUMMER. IF WE WAIT UNTIL AFTER EARLY NOVEMBER, WE CAN ENSURE THAT THE A-7 AND REPROCESSING ISSUES DO NOT BECOME AN ELECTION FOOTBALL. IF WE MAKE OUR STATEMENT AFTER ELECTIONS WE COULD BEGIN

OUR CONSULTATIONS WITH THE HILL JUST BEFORE OUR ANNOUNCEMENT. IF THE ELECTIONS PRODUCE A CHANGE OF ADMINISTRATION, AN ATTEMPT WOULD HAVE TO BE MADE TO GET THE NEW LEADERSHIP TO AGREE TO KEEP AN OPEN MIND ON THIS ISSUE AND GIVE US AN OPPORTUNITY TO SEE WHAT WE CAN GET FROM THE PAKS BEFORE THEY TAKE A FIRM STAND EITHER WAY.

17. I REALIZE THERE ARE SOME SPACES THAT REMAIN TO BE FILLED IN IF THIS PROPOSED STRATEGY IS TO SUCCEED. ALSO, THE SPECIFICS ON HOW TO COPE WITH THE HILL AND THE PRESS WOULD HAVE TO BE WORKED OUT IN ADVANCE. I WANTED YOU TO HAVE MY THOUGHTS ON THIS TWO-TRACK STRATEGY, HOWEVER, IN THE BELIEF THAT IT OFFERS US HOPE, WITHIN THE FRAMEWORK THAT BHUTTO HAS NOW BUILT, OF RETAINING OUR IMPORTANT BILATERAL TIES WITH PAKISTAN WHILE AT THE SAME TIME FURTHERING OUR NONPROLIFERATION GOALS.
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